

Message Text

UNCLASSIFIED

PAGE 01 TANANA 01277 121327Z

50

ACTION COME-00

INFO OCT-01 AF-10 EUR-25 ISO-00 CIAE-00 DODE-00 INR-10

NSAE-00 PA-03 RSC-01 USIA-15 PRS-01 SPC-03 DRC-01

ST-01 A-01 L-03 AID-20 EB-11 FRB-02 TRSE-00 XMB-07

OPIC-12 CIEP-02 LAB-06 SIL-01 OMB-01 /137 W

----- 071409

R 121130Z SEP 73

FM AMEMBASSY TANANARIVE

TO SECSTATE WASHDC 5632

INFO AMEMBASSY PARIS

USMISSION EC BRUSSELS

UNCLAS TANANARIVE 1277

E.O. 11652: N/A

TAGS: ETRD, MA, US, EEC

SUBJ: GOMR RAISES IMPORT TAXES ON MANY ITEMS

DEPARTMENT PASS TO COMMERCE

REF: TANANARIVE 1208 AND 1264 (NOTAL)

1. SUMMARY: GOMR IMPOSES LARGE INCREASE IN IMPORT TAXES FOR MOST CONSUMER ITEMS AS PART OF EFFORT TO LOWER OVERALL LEVEL OF IMPORTS AND BOLSTER GOVERNMENT REVENUES. INCREASES SHOULD HAVE LITTLE EFFECT ON US EXPORTS TO MADAGASCAR. END SUMMARY.

2. IN SEPTEMBER 5 EDITION OF JOURNAL OFFICIEL, GOMR ANNOUNCED SIGNIFICANT INCREASES (RANGING FROM 40-150 0/0) IN IMPORT TAXES (TAXES D'IMPORTATION) FOR OVER 200 TYPES OF ITEMS, LARGELY CONSUMER GOODS. LIKE NEW IMPORT QUOTA SYSTEM ANNOUNCED LAST WEEK (REFTELS), THIS MOVE IS AIMED PRIMARILY AT REDUCING OVERALL LEVEL OF IMPORTS AND AT ENCOURAGING DOMESTIC PRODUCTION. SECONDARY GOAL MAY WELL BE ATTEMPT TO COMPENSATE FOR LOSS IN GOVERNMENT REVENUES WHICH WOULD RESULT FROM FURTHER DROP IN IMPORTS. (GOVERNMENT REVENUE UNCLASSIFIED

UNCLASSIFIED

PAGE 02 TANANA 01277 121327Z

HAS ALREADY BEEN SERIOUSLY AFFECTED BY DECLINE IN OVERALL

BUSINESS ACTIVITY AND IMPORTS DURING PAST YEAR).

3. CHANGES IN IMPORT TAXES ARE AIMED PRIMARILY AT SO-CALLED "LUXURY ITEMS" USED PRIMARILY BY FOREIGN COMMUNITY AND WEALTHIER MALAGASY, BUT, SINCE TAXES HAVE BEEN INCREASED ON SO MANY COMMONLY USED CONSUMER GOODS (CLOTHING, SHOES, FOOD AND BEVERAGES, SOAPS, SHAVING ITEMS AND COSMETICS) MOST MALAGASY, EVEN THOSE OF MODEST MEANS, PARTICULARLY IN URBAN AREAS, WILL FEEL RESULTING PRICES HIKES. MOST AFFECTED WILL BE GOVERNMENT EMPLOYEES AND OTHER MIDDLE-CLASS ELEMENTS IN TANANARIVE.

4. EXEMPT FROM TAX INCREASES ARE PARTS OF AUTOMOBILES TO BE ASSEMBLED IN MADAGASCAR (PRESENTLY RENAULT, PEUGEOT, AND CITROEN). TAXES ON PRIVATE AUTOMOBILES IMPORTED ALREADY ASSEMBLED HAVE BEEN INCREASED FROM 40 TO 100 0/0.

5. SINCE FEW US CONSUMER GOODS ARE PRESENTLY SOLD ON MALAGASY MARKET, NEW IMPORT TAXES SHOULD NOT SIGNIFICANTLY AFFECT OVERALL IMPORTS TO MADAGASCAR. IN ADDITION TO IMPORT TAXES, IMPORTS FROM US (AND OTHER NON-EEC COUNTRIES) ARE STILL LIABLE TO CUSTOM DUTIES (TAXES DE DOUANE) NOT APPLIED TO SIMILAR ITEMS PURCHASED FROM EEC COUNTRIES. (THIS IS OF COURSE RESULT OF "REVERSE PREFERENCES" GIVEN TO EEC COUNTRIES BY MADAGASCAR UNDER YAOUNDE II CONVENTION) THESE CUSTOMS DUTIES ARE NORMALLY 5-10 0/0 BUT SOMETIMES HIGHER --FOR EXAMPLE, 20 0/0 ON PRIVATE AUTOMOBILES.

6. COPIES OF NEW IMPORT TAX SCHEDULES BEING POUCED
COMMERCE/OIM.
MENDENHALL

UNCLASSIFIED

NNN

Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: CUSTOMS DUTIES, IMPORT QUOTAS, GOVERNMENT REVENUES
Control Number: n/a
Copy: SINGLE
Draft Date: 12 SEP 1973
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1973TANANA01277
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: TANANARIVE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1973/newtext/t19730939/aaaabcfx.tel
Line Count: 92
Locator: TEXT ON-LINE
Office: ACTION COME
Original Classification: UNCLASSIFIED
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators:
Previous Classification: n/a
Previous Handling Restrictions: n/a
Reference: TANANARIVE 1208 AND 1264 (NOTAL)
Review Action: RELEASED, APPROVED
Review Authority: kelleyw0
Review Comment: n/a
Review Content Flags:
Review Date: 06 SEP 2001
Review Event:
Review Exemptions: n/a
Review History: RELEASED <06-Sep-2001 by reddocgw>; APPROVED <13 FEB 2002 by kelleyw0>
Review Markings:

Declassified/Released
US Department of State
EO Systematic Review
30 JUN 2005

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: GOMR RAISES IMPORT TAXES ON MANY ITEMS DEPARTMENT PASS TO COMMERCE
TAGS: ETRD, MA, US, EEC
To: STATE
Type: TE
Markings: Declassified/Released US Department of State EO Systematic Review 30 JUN 2005